



ChargePoint, Inc.
254 East Hacienda Avenue | Campbell, CA 95008 USA
+1.408.841.4500 or US toll-free +1.877.370.3802

December 9, 2021

Attn: Secretary James Kenney

RE: 2022 New Mexico Clean Fuel Standard Act

Dear Department Members,

ChargePoint commends the New Mexico Environment Department for re-introducing the Clean Fuel Standard Act ("the Act") in the 2022 session and appreciates the opportunity to comment on the Discussion Draft. ChargePoint is a world leading electric vehicle ("EV") charging network, providing scalable solutions for every charging scenario from home and multifamily to workplace, parking, retail, and transport fleets of all types. Today, one ChargePoint account provides access to hundreds of thousands of places to charge in North America and Europe. ChargePoint is an active participant under California and Oregon's clean fuels standards ("CFS") and has collaborated in CFS rulemakings in California, Oregon, Washington, Canada, and Germany.

Clean fuel standards are proven, science-based and technology neutral methods of reducing emissions from transportation fuels over time and provide important local economic development opportunities. Where they exist today, CFSs have accelerated transportation electrification by increasing private investment in EV charging infrastructure and supporting direct vehicle rebates. These programs work by sending a clear and effective market signal to prospective charging station operators (and other clean fuel providers) that improves the business case for charging infrastructure, thereby expanding the private sector commercialization of EV charging.

ChargePoint supports the Discussion Draft's carbon intensity ("CI") targets of 20% by 2030 and 30% by 2040. These targets will send stronger demand signals in the state for investment in and the supply of lower carbon fuel and technologies and drive more emissions reductions in the state. We also commend New Mexico for stating a clear 2040 target within the Act. Providing clear, long-term targets gives fuel and infrastructure suppliers more certainty which enables more investment and putting a 2040 target in place accomplishes this.

As a world leading charging infrastructure provider and long-time direct participant in CFSs programs, we strongly encourage the Departments to honor the market-based principles of the CFS and allocate credit generation rights to charging station operators for non-residential charging¹. This program design will yield two critical benefits: (1) this will incentivize more private investment in charging infrastructure and electric fleets throughout the economy by enabling charging providers to claim the credit; and (2) it will lead to more innovation and competition on the charging infrastructure side which will ultimately benefit drivers. For credits that result from charging an EV at a residence, it may be most feasible to administer crediting through electric utilities. For these credits that are administered through the utility, ChargePoint supports the establishment of reinvestment criteria in disproportionately impacted communities. For non-residential charging, there are programmatic ways of accelerating investment in

¹ "Non-residential charging" defined as charging that takes place at a single-family residence.



disproportionately impacted communities, such as levying credit multipliers for stations deployed in these communities.

It is important that any CFS balances accuracy with the materiality of risk in the context of reporting and verification. Credits should represent avoided emissions and the credit incentive under the program should attract investment in further avoided emissions. To balance and accomplish these two objectives, verification of fuel pathways should apply to pathways with site-specific data where CIs may vary substantially from project to project, but not generalized pathways such as charging an EV using a statewide emissions factor for the underlying electricity. Clean fuels standards in existence today leverage what's referred to as "lookup table" pathways for generalized pathway CIs, such as electricity using a statewide emissions factor, compressed natural gas, or propane. These lookup table pathways can significantly reduce the administrative burden of the program on market participants as well as the administering agency.

Finally, we would strongly encourage the addition of language in Section 3.D(5) of the Act to specify that credits may only be generated for emissions reductions associated with transportation fuels. The risk is that by allowing credits to be generated from emissions reductions outside of the transportation system, the supply of credits would significantly outweigh demand for credits and the demand signal that the credit mechanism is intended to send to attract investment in clean fuels and infrastructure would be significantly diluted. If economywide emissions reductions are credited under the program, transportation sector emissions reductions will be crowded out and the standard will be met without emissions reductions from transportation, and potentially without emissions reductions altogether if credit prices remain subdued. This does not mean that persons involved in the sectors mentioned in Section 3.D(5) of the Act may not generate credits, only that credits generated must be associated with transportation fuels. To provide this clarity, ChargePoint request the following change in Section 3 D(5) to the discussion draft:

(5) establish a mechanism for a person to generate credits for the reduction of greenhouse gases associated with transportation fuels, including persons involved in agricultural, aviation, chemical, carbon sequestration, dairy, direct air capture, energy, film, forestry, manufacturing, methane capture and use, mining, oil and gas, transportation, waste management or wastewater treatment sectors. Greenhouse gas emission reductions eligible for the generation of credits pursuant to this paragraph shall be additional, quantifiable, verifiable, permanent and enforceable;

Clean fuel standards are proven means to reducing transportation emissions while promoting innovation and competition in fuel markets and supply chains, and we strongly support the adoption of a CFS in New Mexico. We thank you for the opportunity to provide comments here today and we look forward to continued participation on this exciting bill.

Sincerely,

Evan Neyland,
Clean Fuels Manager

cc Members, New Mexico Departments of:
Economic Development
Energy, Minerals and Natural Resources
Environment
Agriculture